SECTION 1

**INSTRUCTIONS FOR THE PREPARATION AND SUBMISSION
OF THE FY 2008 STATE OPERATING BUDGET**

BUDGET PROCESSING AND FORMAT

The Budget Bill for FY 2007 directs that all State Agencies shall prepare and submit budget items detailed by statewide subobject classification in an automated form. These instructions should be followed to assure compliance with these mandates. Any questions concerning the requirement for automated budget data should be referred to Mr. John J. Pirro, Director, Division of Finance and Administration (410-260-7059 or jpirro@dbm.state.md.us).

1. **R*STARS account code structure** must be used in all budget preparation, documentation and submission.

2. **Chart of Accounts** data should be submitted in hard copy and in electronic format either via HOBO or Excel to John Pirro, DBM Director of Finance and Administration, as soon as possible but not later than your budget submission deadline, if the following applies:
   - An agency that utilizes subprograms must submit a chart of accounts that identifies the agency, program, subprogram and subprogram name. Any Agency or Program name changes must be coordinated and approved by your assigned Budget Analyst.
   - An agency that uses agency objects must submit a chart of accounts that identifies the agency object code, the meaning of the code, and corresponding Comptroller object code.
   - An agency with an approved reorganization must submit a complete chart of accounts with all agency codes, program numbers, subprograms, Comptroller/agency objects, and the corresponding names.

3. **3.** **Electronic Format:** All budget submissions must include subobject detail and funding detail for the FY 2006 Actual expenditure, the FY 2007 Appropriation, and the FY 2008 Request. The FY 2006, FY 2007 and FY 2008 numbers should not contain any commas or dollar signs, and negative numbers are expressed with a leading minus sign. *If an amount is zero, then a zero must be used rather than a blank space.*

   Submissions must be in one of the following automated formats:
   - HOBO;
   - A data set at the Annapolis Data Center in the same format as last year;
   - An Excel spreadsheet that contains a record ID and three years of data for each subobject by fund.

   Agencies must use the following record ID layout:
Record ID	18 characters total
Appropriation Code	first 8 characters within the total 18
Object Group	next 2 characters after appropriation
Subprogram Number	next 4 characters after object group
Comptroller or Agency Object	4 characters at the end of the 18 total characters

4. **Written Material:** In addition to the automated submission requirements of number 3 above, agencies may submit their budget requests (including actuals and current year appropriations) on plain white paper in a neatly typed format by program, sub-program, object and subobject. If this format is chosen, the submission must also include object totals by program. HOBO printouts are also permissible. HOBO uses the chart of accounts; therefore agencies must submit updated chart of accounts data to DBM in order for HOBO tables to be updated for the printouts.

    Note: Agencies are encouraged to use Column 19, the "Agency Justification" column, in HOBO to succinctly explain the basis for subobject requests. This will reduce "paper backup" and facilitate DBM and DLS reviews.

5. **Budget amendments** needed to realign or augment current year appropriations, including reorganization, recognition of expenditure needs associated with salary adjustment increase, and other material changes should be submitted to DBM as soon as possible <u>but not later than September 30, 2006</u>. If reorganization occurs, budgets must be realigned for all years in accordance with the planned revision. All current year budget amendments should be incorporated into the automated submission as part of the FY 2007 appropriation, including the COLA and/or Annual Salary Review (ASR) and any creation of Major Information Technology Development Project Programs.

6. **Format:** All materials submitted in the budget request are to be on the forms or in the format prescribed by DBM. Any other budget request documentation shall be produced on white paper no larger than 8 ½" X 11" with three (3) holes punched along the margin on the 11" inch side to facilitate binding the forms in standard three ring binders.